GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:1111
ANSWERED ON:22.11.2016
Cash Subsidy for Sugarcane Growers
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether the Government has formulated a farm-policy to provide direct cash subsidy to sugarcane growers;

(b) if so, the details thereof and the time by which the above policy is likely to be implemented; and

(c) the approximate number of sugarcane growers likely to be benefited through this policy?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a) to (c): There is no such farm-policy to provide direct cash subsidy to sugarcane growers. However, in the last two years, Ministry of Consumer Affairs, Food and Public Distribution has taken following steps to improve the liquidity position of sugar mills enabling them to clear cane price arrears of farmers:

(i) A Scheme for Soft loans to sugar mills to facilitate payment of cane dues of the farmers for the sugar season 2014-15 was notified on 23rd June, 2015. The Government to bear interest burden upto 10% simple interest or actual rate of interest charged by the bank, whichever is less for maximum of one year by way of interest subvention. As per the modalities of the scheme the extent of the cane dues to be computed on the basis of Fair and Remunerative Price (FRP), is remitted into the accounts of farmers on behalf of the sugar mills. Under the scheme, Rs. 4305 crore has been disbursed. This has benefited more than 32 lakh farmers associated with 313 sugar mills.

(ii) The Production Subsidy Scheme was notified on 02.12.2015 with a view to offset the cost of cane & facilitate timely payment of cane price dues of farmers for sugar season 2015-16. The said subsidy is paid directly to the farmers on behalf of the mills and adjusted against the cane price payable due to the farmers against FRP including arrears relating to previous years. Subsequent balance, if any, shall be credited into the mill's account.

Contdâ€¦2/-

Consequent upon sugar prices reaching substantially higher levels than required for operational viability of the sugar industry, the production subsidy scheme was withdrawn vide notification dated 19.05.2016.

Since the production subsidy scheme was withdrawn before time, the Government has decided to disburse the performance based production subsidy for cane crushed during 2015-16 sugar season till the tenancy of the scheme vide notification dated 12.09.2016.

Besides, Department of Agriculture, Cooperation & Farmers Welfare is implementing Sugarcane development programme under National Food Security Mission (NFSM) in 13 major sugarcane growing states viz., Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Telangana, Tamil Nadu, Uttarakhand & Uttar Pradesh from 2014-15 with an aim for enhancing production and productivity. Under this scheme, thrust has been given on transfer of technology through frontline demonstrations and training in order to extend benefits to the farmers. Under the Scheme, assistance is given for Demonstration on intercropping and single bud chip technology with Sugarcane, Breeder seed production, production of tissue culture raised plantlets/ seedlings, strengthening/ establishment of bio agent and tissue culture laboratory, national level training and state level training through the State Department of Agriculture, Indian Council of Agriculture Research, State Agriculture University and other implementing agencies.

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